

In a bid to stem rising oil and gas prices, Rep. Peter Welch (D-Vt.) is leading an effort in the House to urge the Commodities Futures Trading Commission (CFTC) to crack down on energy market speculation.

In a letter sent last week to the CFTC, Welch and eight colleagues urged the commission to immediately implement rules to limit oil and commodity speculation. Despite the passage of the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010, which directed the CFTC to do just this, the commission has yet to act. According to the law, the deadline for these rules on energy commodity trading to be issued is today.

"This is incredibly concerning," Welch said. "What we've seen is a huge push by special interest groups to delay the implementation of these rules and an attempt to diminish the law's impact. Until these rules are fully implemented, consumers will continue to be at mercy of energy market gamblers."

In their letter, Welch and eight colleagues called into question whether the commission would meet the deadline and preserve the law's intent.

"While Commissioners have begun work to implement this requirement of the law, we are concerned that such efforts will fall short of the deadline," Welch and his colleagues wrote. "By acting decisively, the Commission will communicate to the public and to market participants that it is serious about preventing excessive speculation and abuse, and help address out of control energy prices."

According to Vermont Department of Public Service, gasoline prices have increased \$.46 a gallon since September, bringing the average price of a gallon of gas to \$3.14.

Welch has long been a champion of energy market transparency. When fuel prices jumped in 2009, [Welch asked the CFTC to use its existing authority to protect consumers from the effects of speculation](#). Welch is planning to introduce legislation in the 112th Congress to further address energy market manipulation. He was a co-sponsor of the Dodd-Frank Act.

Joining Welch in signing the letter are: Reps. Rob Andrews, Joe Baca, Russ Carnahan, Steve Cohen, Peter DeFazio, Rosa DeLauro, Dennis Kucinich and Barbara Lee. [CLICK HERE](#) for a PDF of the letter or see its text copied below:

Commodity Futures Trading Commission
Three Lafayette Centre
1155 21st Street, NW
Washington, DC 20581

Re: Timely Imposition of Speculative Position Limits for Energy Commodities

Dear Chairman Gensler and Commissioners Sommers, Chilton and O'Malia:

As supporters of the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010, we ask that you quickly and aggressively implement the position limits imposed on oil and commodity speculators.

Among the measures included in the law, Section 737 requires that the Commodity Futures Trading Commission (CFTC) establish within 180 days of enactment (by January 17, 2011) hard speculative position limits for commodities defined as "exempt" under the Commodity Exchange Act, including energy commodities such as crude oil, gasoline, and home heating oil.

While Commissioners have begun work to implement this requirement of the law, we are concerned that such efforts will fall short of the deadline. We urge the Commission to take necessary steps to address current energy market activity and to identify large speculative positions that might exist in the current markets and take appropriate actions in the absence of a final rule.

Businesses and consumers are once again faced with an alarming surge in the price of energy, including gasoline, diesel fuel and home heating oil. This translates to higher costs to put fuel in

their car and travel to work or school, to heat their homes and run their small businesses. Americans are facing the highest energy costs since before the start of the economic crisis in 2008. Many economists have warned that if energy prices continue to rise, the economic recovery could either slow further, or worse, could plummet into a double-dip recession.

The Commodity Exchange Act, as amended by the Dodd-Frank Act, provides the CFTC with various tools to ensure that the markets are transparent, stable and reflective of economic fundamentals of supply and demand. By acting decisively, the Commission will communicate to the public and to market participants that it is serious about preventing excessive speculation and abuse, and help address out of control energy prices.

Thank you for your consideration of this matter.

Sincerely,

Peter Welch